Strengthening of Powerloom Service Centres, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @20 percent have been introduced. Government has enhanced, w.e.f. 13.01.05, the capital ceiling for machinery from Rs. 60.00 lakh to Rs. 100.00 lakh under 20 per cent capital subsidy scheme for the decentralized powerloom sector.

* In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yam was provided optional exemption from excise duty. In 2005-06 Budget, Central Value Added Tax (CENVAT) on Polyester Filament Yam has been reduced from 24 per cent to 16 per cent.

* To facilitate import of state of the art machinery to make our products internationally competitive in the post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down from 20 per cent to 10 per cent except in case of 23 machinery.

* A centrally sponsored scheme "Apparel Parks for Export Scheme" has been launched for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

* For upgrading infrastructure facilities at important textile centres the "Textile Centre Infrastructure Development Scheme" has been launched.

* Technology Mission for Cotton has been launched for initiating focused steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

* Government has launched a Debt Restructuring Scheme w.e.f. September, 2003.

Assessment of the Post Quota System

†1683.SHRI PYARELAL KHANDELWAL:

SHRI R.S. GAVAI:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government have made any assessment of the situation/ challenges arising out of the abolition of the quota system in the world textile trade;

†Original notice of the question was received in Hindi.

(b) if so, the details thereof;

(c) whether Government are considering any special scheme to overcome the sickness of the textile industries keeping in view the possible boom in the export;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) Yes, Sir. The liberalised trading regime would result in increased international trade in textiles thus providing greater export opportunities for the indigenous textile industry. At the same time, it will expose the domestic industry to increased competition in the international market. The industry will have to improve its efficiency and productivity to meet the emerging global competition.

In order to strengthen the Indian textile industry to meet the emerging global competition, Government has been taking a number of steps from time to time. Some of the important initiatives taken are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market.

(iii) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

(iv) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.

(v) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

(vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition. Except for mandatory excise duty on polyester filament yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain including cotton textile and cotton clothing items have been given excise exemption option. Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

(vii) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also raised the SSI investment limit for knitted segment to Rs. 5crores. In the Union Budget 2005-06, an anouncement has been made for de-reservation of 30 hosiery items from the SSI.

(viii) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

(ix) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

(c) to (e) The Government has set up Board of Industrial & Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act. With a view to arranging the timely direction of sick and potentially sick companies and for the speedy determination of preventive, ameliorative and remedial measures which need to be taken in respect of such companies. BIFR appoints operating agencies for preparation of rehabilitation proposals in respect of potentially viable units. The decision on rehabilitation is taken by BIFR based on its findings.

The Government has launched a Debt Restructuring Scheme w.e.f. September 2003 with principle objective of permitting the banks to reschedule the loans of textile sector at 8 per cent to 9 per cent interest rate.